

Presented to the Interdisciplinary Studies Program:



UNIVERSITY OF OREGON
APPLIED INFORMATION MANAGEMENT

Applied Information Management
and the Graduate School of the
University of Oregon
in partial fulfillment of the
requirement for the degree of
Master of Science

Best Practices in Training and Employee Development to Increase Public Sector Employee Retention

CAPSTONE REPORT

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December 2016

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Running head: EMPLOYEE DEVELOPMENT TO INCREASE RETENTION

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Abstract

Public and private sector employers suffer from employee turnover. A challenge employers face is how to retain quality employees while remaining fiscally responsible. Providing employee development and training can create a quality workforce while positively impacting retention. Organizations that commit to employee development can see a positive return on investment through reduced attrition and increased productivity. This annotated bibliography presents literature on best practices in training and development to increase public sector employee retention.

Keywords: *Employee turnover, employee development, training, retention*

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Introduction

Problem

Employee turnover is an issue of immense consequence affecting employers in both the private and public sectors at tremendous expenses to the organizations (Llorens & Stazyk, 2011, p. 112). Turnover is defined as “the rotation of workers around the labor market; between firms, jobs, and occupations; in between the states of appointment and unemployment” (Abbasi & Hollman, 2000, p. 333). Turnover is further described as “a function of organizational characteristics, economic and labor market conditions, demographic characteristics of employees, employee job satisfaction, and employee perceptions of management and the work environment” (Pitts, Marvel, & Fernandez, 2011, p. 752).

While both public and private employers experience turnover (Bureau of Labor Statistics, 2016), public employers continues to suffer from above average employee turnover (Bureau of Labor Statistics, 2016). Compounding the problem, public employers suffer the effects of turnover for longer periods of time due to increased hiring cycle time (Llorens & Stazyk, 2011, p. 112), which Balfour and Neff (1993) note results in additional expense (as cited in Llorens & Stazyk, 2011) and, as numerous researchers have identified, a reduction of service (Balfour & Neff, 1993; Bertelli, 2007; Mobley, Griffeth, Hand & Meglino, 1979; Moynihan & Pandey, 2008; Selden & Moynihan, 200; Staw, 1980, as cited in Llorens & Stazyk, 2011). Public employers are affected by turnover more at the federal level, accounting for 239,000 of the 259,000 government employees who voluntarily left their jobs in August 2016 (Bureau of Labor Statistics, 2016).

Causes of turnover for public employers include job stress, lack of commitment to the organization and job dissatisfaction (Ongori, 2007, p. 50). Job satisfaction and perceptions of a

fair wage are significantly related to turnover for state employees; higher job satisfaction and a perception that an employee is earning a fair wage lead to lower turnover (Moynihan & Landuyt, 2008, p. 133). Higher education is also a factor in turnover intention for state employees (Moynihan & Landuyt, 2008). In a study of Texas state employees, Moynihan and Landuyt (2008) found that “employees with a college degree or higher were five percentage points more likely to state an intention to leave than those with lower educational attainment” (p. 133). “States (and by extension, citizens) realize external benefits from worker training, and they have begun to use training subsidies as a policy tool for employment retention and competitiveness” (Hollenbeck, 2008, p. 20).

The financial impact of turnover for public or private organizations can be steep. “When an organization loses the human capital it wants to retain, it incurs process separation costs, recruitment costs, training costs, and lost productivity costs” (Moynihan & Landuyt, 2008, p. 120). Additionally, “employee turnover can also bring about a loss of organizational knowledge, history, and memory” (Llorens & Stazyk, 2011, p. 112). The costs of turnover in the private sector have been well researched (Moynihan & Landuyt, 2008). “The average turnover costs for a full-time professional employee in the private sector have been estimated to be as high as 150 percent of the employee’s annual compensation package” (Pitts, Marvel, & Fernandez, 2011, p. 751). Abbasi and Hollman (2000) estimate that the cost of voluntary and involuntary employee turnover to American businesses-what they term the “find them, lose them, replace them syndrome”-totals about \$11 billion a year (p. 334). Increased costs from high rates of staff turnover are associated with the costs that accrue from new recruitment and training (Grissom, 2012). While much research has been performed on the impact of turnover in the private sector, Moynihan and Landuyt (2008) note that current empirical literature that focuses on turnover in

the public sector is less readily available and that new research on the topic is typically focused on state government.

Employers experience other negative impacts from high turnover besides just financial burdens (Grissom, 2012). Grissom (2012) cites several sources in noting “high rates of staff turnover are associated with costs related to new recruitment and training (Alliance for Excellent Education 2005; Cascio, 1982), lower morale among staff (Rainey, 2003) and fewer outputs per work hour (Shaw, Gupta & Delery, 2005)” (Grissom, 2012, p. 400). The link between turnover and resulting decreases in morale and productivity has been established; one study estimates that organizations with high turnover may see the productivity of remaining staff lowered by as much as 50% (Chambers, 2009, p. 45).

The causes of employee turnover are due to job-related factors and organizational factors (Ongori, 2007, p. 50). Rosenwald (2000) notes the strong relationship between employee training and development and employee retention within the public and private sector (as cited in Bashir & Jehanzeb, 2013). Wagner (2000) notes that the provision of training and development programs results in both high employee satisfaction and low employee turnover (as cited in Bashir & Jehanzeb, 2013). “When employees do not see the potential for learning or growth, they generally make every effort to learn and grow even if it means moving on” (Palan, 2007). Development of employees is “important for any organization to stay solvent and competitive in the market” (Bashir & Jehanzeb, 2013, p. 247).

Organizations provide training to remain attractive to employees and competitive in the external environment (Ahmed, 2013, p. 5). The cost of providing professional development opportunities to employees can be substantial (Palan, 2007, p. 5). The American Society for Training and Development reports that, in 2007 alone, \$129 billion was spent on the

development and training of employees (Paradise, 2007, p. 4). One frustrating aspect of investing in employee training is losing trained employees and the continued reinvestment in training to competitors (Palan, 2007).

While evidence exists linking the provision of training to turnover when employees take their new skills to higher paying competitors (Palan, 2007), there is also research that shows that training increases retention (Ahmed, 2013; Beynon, Jones, Pickernell, & Packham, 2015; Dalziel, 2010). “Training through government programmes and learning by doing have a strong positive relationship with greater employee loyalty” (Beynon, Packham, & Jones, 2015, p. 151). Dalziel (2010) states “staff retention is greatly improved if the company offers a learning environment and career paths that support staff in their personal development and recognizes their learning attainments” (p. 57). Palan (2007) argues that turnover that ensues when trained staff leave for higher paying competitors can be mitigated by linking employee learning to career progress (Palan, 2007). “Training, then, is expected to have a positive impact on both motivation and employee commitment” (Sahinidis & Bouris, 2008, p. 64).

Formulating a training plan to address employee skill gaps while mitigating employee loss is complicated (Palan, 2007), but the potential for avoiding the expense and loss of productivity from employee turnover points to the need for research into the topic. This research project focuses on the problem of employee turnover and the role that a lack of employer-provided development programs plays. Literature is included that identifies the root causes of turnover and potential solutions to address both employee skill gaps and related turnover. The focus of the research is on turnover of employees with a sub-focus related to turnover of public sector employees.

Purpose

The purpose of this research paper is to present literature to the reader that describes the importance of training as a key component of employee development and as a means to mitigate the issue of turnover. This Annotated Bibliography presents research on best practices for employee development programs to reduce turnover. Particular emphasis is placed on literature that presents means of reducing turnover for employers related to inadequate employee development programs. In addition, literature is presented that focuses on causes of turnover and means of improving retention for public employers.

Audience

This research project is directed toward policymakers within organizations who have authority for training and development for staff. Relevant policymakers include the senior staff within individual departments, department heads, and potentially Human Resources leaders who are responsible for implementing training practices. The audience also includes those leaders who have the budget authority to approve training programs. While this research study provides information that may be useful for all employers, the emphasis is on literature sources that provide insight into the issue of turnover for public employers and potential best practices in training and employee development to mitigate turnover of public employees.

For the public employers who employ the 35.2 percent of government employees who are represented by Collective Bargaining Agreements (Bureau of Labor Statistics, 2016, p. 1), the implementation of new training policies that affect workplace conditions should involve labor union representatives to ensure a smooth rollout.

Research Question

Main question. What best practices in training and employee development will enable employers to increase employee retention?

Sub-question. How can public sector employers use employee training and development programs to reduce turnover?

Search Report

Search strategy. The search strategy involves the initial use of known terms within an Internet search. Google is selected as the primary search engine; however, other search engines produce similar results. Some of the initial search terms are *employee retention*, *employee training*, and *employee development*. This search is completed without a date range to enable more key terms to be identified. As information is gathered new terms emerge that allow for a wider search for scholarly information.

Employee retention and training are vast topics; however, when looking specifically for public sector employment, the quantity of scholarly articles diminishes quite a bit. This proves particularly challenging when searching for quantitative cost data. Google Scholar is initially utilized, but quickly results in a shortage of free articles and journals. Articles located via Google Scholar that are not free are obtained from the University of Oregon's online library. Independent searches are also performed on the UO Library system. Originally a date range-narrowing filter is not used; however, it later proves helpful to narrow the search to articles published within the last ten years to ensure that timely information is provided. If a document is found to be greater than ten years old it is not automatically excluded, but rather evaluated for

quality and relevance. The number of times a source is cited is also taken into consideration. If one source has been used more times than another, the source that is cited more frequently is given priority.

While many articles from general searches of the key terms are returned, the scholarly-reviewed entries are primarily evaluated. Several books are found as references; however, the location of the references versus the location of the researcher proves to be an unworkable hurdle.

Key terms. Search terms for this research include:

- *Public employee retention*
- *Public employee turnover*
- *Employee job security*
- *Public employee wages*
- *Employee retention technical skills*
- *Employee retention practices technical training*
- *Millennial employee retention*
- *Training and employee development*
- *Impact on employee development*
- *Employee development and retention*
- *Recruitment and retention for the new Millennium*
- *Work environment*
- *Retention*
- *Compensation*

Search engines and databases. Google is the original search engine to generate key words, followed by the use of Google Scholar to ensure the searches return academic-related sources. The majority of the articles found through Google Scholar are articles that require payment for access, but access is gained to the bulk of them via the internal use of the University of Oregon's Library. Independently the UO online library proves successful within the Summit and Articles sections. Additional data is extrapolated from a regular Google search engine for the use of government agency generated data.

Documentation approach. References are evaluated as they are returned from searches and are saved if the articles meet the evaluation criteria or discarded if the articles do not meet the criteria. Each article that is saved is categorized by article name, with notes on locations of relevant information within the article. As citations are added into the paper Microsoft Word is used to initially create a reference list. Some minor discrepancies are found between the program and proper American Psychological Association (APA) format, which are manually corrected. The computer used for this research project has data backup software, and all research materials are also copied to a USB flash drive as a redundancy and to enable portability.

Information source evaluation criteria. The researcher examines many sources during the course of the research. Employee turnover is an issue for both public and private sector employers so data is selected from each focus area to gain a comprehensive perspective. All references are evaluated using criteria provided by the University of Florida's Center for Public Issues Education (2014): authority, lack of bias, quality, relevancy and timeliness.

The authority of an author or group of authors is evaluated by assessing educational history, professional experience, number of works published and number of times cited. Authors

who hold advanced degrees, are currently associated with a reputable organization, have published other books or articles, and have been cited by others in the field are considered more credible. Each article is inspected for bias and is not chosen if the authors are found to be selling related products or services. The quality of each work is inspected to determine if the source contains accurate information, is organized logically, and is free of syntax and spelling errors. This evaluation proves mildly challenging with a few references as they are published in countries outside the United States.

The evaluation of relevancy proves to be the biggest challenge for the researcher, as many articles are not sufficiently tied to the topic and are ultimately discarded. Timeliness is a key factor during the search; the goal for the key articles is for the source to be less than ten years old. Older articles are not automatically disqualified, as the problem addressed in this paper has been an issue for much longer than ten years and past failures may yield information that leads to a solution.

Annotated Bibliography

This annotated bibliography provides literature to inform the reader about the use of training as a means of reducing employee turnover in the public sector. Many sources on the topic are evaluated; however, only the works that provide significant contributions to the narrow research topic are included. This annotated bibliography is divided into three categories: (a) causes of employee turnover, (b) the use of training and employee development to reduce turnover, and (c) turnover and retention in the public sector.

Causes of Employee Turnover

Abbasi, S. M. & Hollman, K. W. (2000). Turnover: The real bottomline. *Public Personnel Management*, 29(3).

Abstract. Turnover is the rotation of workers around the labor market; between firms, jobs, and occupations; and between the states of employment and unemployment. Labor turnover is one of the most significant causes of declining productivity and sagging morale in both the public and private sectors. Management theorists say it lies behind the failure of US employee productivity to keep pace with foreign competition.

Summary. This article includes some of the key causes of employee turnover, such as (a) ineffective hiring practices, (b) managerial style, (c) lack of recognition, (d) lack of competitive compensation systems, and (e) toxic workplace environments. Although some of these causes do not directly tie into employee training, they all provide reasons why employees choose to leave their places of employment. Abbasi and Hollman additionally report on the consequences of turnover including the negative effects on customer satisfaction for an organization. The authors find that employee loyalty will

increase customer approval, and note that some employers reduce turnover with sound employee development programs and solid employee relations.

The paper provides a brief discussion about the workforce that was emerging in the year of publication (2000), explaining that there had been fundamental changes in labor force demographics that resulted in more diversity. The authors note that the new labor force expects employee development programs as they are always searching for ways to advance. The authors recommend that managers abandon previous managerial methods and focus more on supporting the growth that is desired by the employee. Abbasi and Hollman (2000) assert that when employees realize they are being developed they will remain upbeat and positive, and note that a positive work environment will energize the organization and result in increased productivity.

Abbasi and Hollman (2000) briefly discuss the expense associated with employee turnover, detailing the internal costs associated with hiring and training new employees. The authors also note the visible costs associated with turnover such as the costs associated with termination, advertising, recruitment, candidate travel, selection, hiring, assignment, orientation, signing bonuses, and relocation.

This article is relevant for this study because it provides research on causes and consequences of employee turnover while detailing the positive effects of employee development on reducing employee turnover.

Ongori, H. (2007, June). A review of the literature on employee turnover. *African Journal of Business Management*.

Abstract. “Employee turnover” as a term is widely used in business circles. Although

several studies have been conducted on this topic, most of the researchers focus on the causes of employee turnover but little has been done on the examining the sources of employee turnover, effects and advising various strategies which can be used by managers in various organizations to ensure that there is employee continuity in their organizations to enhance organizational competitiveness. This paper examines the sources of employee turnover, effects and forwards some strategies on how to minimize employee turnover in organizations.

Summary. The author reviews literature on employee turnover while addressing the causes and effects of turnover and strategies to minimize the problem. Ongori breaks down the sources of turnover into job related factors and organizational factors. Job related factors include job stress, job dissatisfaction, lack of commitment, and economic factors. The key organizational factors contributing to turnover are: (a) organizational instability, (b) poor communication, (c) high levels of inefficiency, (d) poor personnel policies, (e) poor supervisory practices, (f) poor recruitment practices, and (g) lack of motivation (p. 50). Non-competitive compensation is also addressed in the article but was not reported to be a key component of turnover.

Ongori addresses the effects of turnover on the organization and reports that this problem is expensive for the organization on multiple levels. The visible cost of turnover is tied to the human capital investment, which includes the actual expense of hiring and training a replacement for the departed employee and the possible overtime paid during the vacancy. Ongori finds that the invisible costs of turnover are reported to be much more expensive for the organizations: (a) degradation of customer service, (b) reduction in customer satisfaction, (c) productivity loss, (d) loss of sales, and (e) loss of

management time all affect the profitability of a company if not managed properly (p. 51).

The author identifies strategies to address and minimize turnover: (a) increasing employee engagement, (b) making knowledge accessible, (c) increasing employees' psychological identification with their jobs to increase involvement, (d) increasing organizational commitment, and (e) empowering employees (p. 52). Ongori notes that training and employee development becomes are key factors in retaining employees, as focused employee training tackles facets of all of these strategies.

This article is relevant to this study because it examines the causes of employee turnover and the resulting effects on the organization, as well as identifying strategies to manage and reduce this problem.

Palan, R. (2007). Does employee training lead to attrition? *Performance Improvement*, 46(4).

Abstract. In some areas and industries, despite agreements that discourage the pinching of staff from one another, the problem of attrition is serious. Employers must be influenced to continue to invest in training despite the risk of losing their training investments in terms of time and money. Training is most likely to lead to unexpected consequences such as attrition if people are not conscious of some of these issues: 1. inadequate competency fit, 2. lack of retention risk analysis, 3. absence of policies and procedures, 4. training viewed as an event, not a process 5. lack of line management involvement, 6. inadequate needs analysis, 7. ad hoc training, 8. inadequate evaluation of training, 9. adequate record keeping, and 10. lack of a learning culture. Training does not necessarily lead to employee attrition when it is implemented well. To protect the training

investment, HPT professionals should work out a comprehensive plan to link learning to career progress.

Summary. This article addresses the concern of the potential for employee training to cause attrition within the workforce. The author identifies ten training issues that must be supported properly to avoid the propensity for increased employee turnover. The following issues are noted and must be addressed to reduce the risk of turnover associated with employee training: (a) inadequate competency fit, (b) lack of retention, (c) absence of procedures, (d) training that is viewed as an event rather than a development process, (e) lack of line management involvement, (f) inadequate needs analysis, (g) ad hoc training that does not have a goal or produce results, (h) inadequate evaluation of training, (i) inadequate record keeping, and (j) lack of a learning culture (p. 6).

One key point the author makes is for organizations to support calculated, planned and appropriate training in order to improve employee development. Palan also advocates creating supporting policies that work in conjunction with training programs to protect the organization's investment in employee development.

The second key point of this article is that training may increase employee turnover if it is not carried out properly. However, the author notes that when training is implemented well and a plan exists to optimize the investment, increased retention will be observed (p. 8).

This article is relevant to this study because it addresses the specific issue of turnover that occurs as a result of employee training and provides a strategy to mitigate the potential risk.

Sahinidis, A. G., & Bouris, J. (2008). Employee perceived training effectiveness relationship to employee attitudes. *Journal of European Industrial Training* , 32 (1).

Abstract. Purpose - The purpose of this study is to investigate the relationship between perceived employee training effectiveness and job satisfaction, motivation and

commitment. Design/methodology/approach - The study examined the responses of 134 employees and lower managers, of five large Greek organizations, after they had

completed a training program. The questions asked contained information about the employee attitudes towards the training received, as well as their attitudes towards their

employers. Findings - The results of the study provide support to the hypotheses proposed, indicating that there is a significant correlation between the employee

perceived training effectiveness and their commitment, job satisfaction and motivation.

Additionally, high correlations were found between the latter three variables. Research

limitations/implications - The study is limited to examining employee feelings, not taking into account their personal characteristics, which may be important. Practical

implications - The implications of the findings of this study for managers and especially for Human Resource professionals are quite significant, given their roles in funding,

designing and delivering training interventions. Not only does it appear to be important, offering training programs to one's employees but, the training program content must be

perceived as effective and of value to those participating in it. This will have a positive

effect, according to the findings of this study, on key employee attitudes, which appear to be related to a greater or a lesser extent, in the pertinent literature, to organizational

performance outcomes including, productivity, turnover and absenteeism

Originality/value - The study is ground-breaking, given that there are no prior studies examining the relationship between the variables considered in the present one.

Summary. This journal article reports on a study that examines the relationship of employee training and employee effectiveness and the impact of training on employee turnover. Employee commitment, job satisfaction and motivation are the primary factors the authors examine in this study. Sahinidis and Bouris expanded on a previous 1994 study that found a positive relationship between the implementation of formal employee training programs and individual and organizational labor productivity. The study was conducted at a training seminar and the subjects questioned were primary supervisors in five large organizations (p. 68). A four-part questionnaire was used and answers were recorded on a sliding scale. Questions such as “how effective is the training you receive at your company” (p. 69) were selected for the survey. The authors suggested that future studies could be undertaken to improve the understanding of the relationships of the primary factors.

A key finding from the study is that there is a strong relationship between employee perceived training effectiveness and motivation, job satisfaction and commitment exists. Job satisfaction and employee commitment are extremely important to managers and both factors lead to increased retention.

The second key finding is that effective employee training must be tailored to the organization in order to be considered adequate. The skills involved in this learning process must be a reflection of the employee’s key job functions in order to optimize the potential of the employees (p. 64).

This article is relevant to this study because it reinforces the relationship between

training, job satisfaction and employee retention. Companies that do not invest in effective training that enhances job satisfaction will ultimately hinder their employee retention efforts, resulting in increased employee turnover.

The Use of Training and Employee Development to Reduce Turnover

Ahmed, U. (2013). *Impact of training on employee retention*. Case Business School.

Abstract. The purpose of this research is to examine the impact of training practice on employees' intention to remain or leave an organization. The research has identified how great the effect of training practice on employee retention is. Data has been collected from 100 employees of Public/Private organizations using convenience sampling technique. Descriptive statistics, correlation and regression analysis techniques are used to analyze data. The results shows that positive relationship exists between training and employees retention and employees decision to stay for a longer period of time can be influenced by training practice.

Summary. The author of this article addresses strategies used by employers to enhance employee retention rates. Ahmad reports that providing job-specific training is more beneficial in employee retention than providing generalized training, as providing generalized training has been found to decrease retention rates. The provision of job-specific employee development allows an employee to feel valued and professionally developed yet keeps the employee's focus and abilities with the current employer.

Organizations must find the best retention strategy for their organizations in order to gain commitment from their employees. Various studies were reviewed for this article with a goal of enhancing commitment and reducing retention. Ahmad reports that

training is considered important in developing a feeling of belonging among employees and notes that highly committed employees are much less likely to vacate their positions than those employees that feel undervalued. Employee development elevates commitment and retention among the employees while also providing for the future of the company.

This research focused on clarification of the impact that employee training has on retention. A survey was conducted using a questionnaire with 16 questions that asked respondents to choose answers based upon a 5-point likert scale; the independent variable in the analysis was training and the dependent variable was retention. Survey responses were gathered from 100 respondents, with an 82/18 split of male to female respondents. The results of the survey showed that most people were satisfied with the amount of training provided by their employers; however, the results also showed that an increase in employee training would likely increase retention amongst those polled. The results indicate that a relationship does exist between training and retention; Ahmad notes that increased training for employees will have a direct result on employee satisfaction, which will lead to improved retention. Ahmad recommends that researchers expand his study by comparing the results of training against other human resource practices to gauge the impact on employee retention.

This article is relevant for this study because it examines through a survey employee satisfaction levels resulting from training and the potential for retention resulting from employee development.

Bashir, N., & Jehanzeb, K. (2013). Training and development program and its benefits to employee and organization: A conceptual study. *European Journal of Business and Management*, 5(2).

Abstract. The purpose of this paper is to present a conceptual study established on the employee training and development program and its benefits. This paper will inspect the structure and elements of employee training and development program and later the study presents what are the positive outcomes for employees and organizations. Organizations find it difficult to stay competitive in recent global economy. Importance of employee development program is growing for the organizations those pursuing to receive an advantage among competitors. Employees are esteemed resource of the organization and success or failure of the organization relay on the performance of employees. Therefore, organizations are financing large amount on employee training and development programs. Furthermore, in training program it is supportive for companies to emphasis on knowledge, expertise and ability of employees. There is substantial discussion among professionals and researchers on the affect that development program has on both employee and organization. The study described here is a vigilant assessment of literature on fundamental of employee development program and its benefits to organizations and employees.

Summary. The authors perform a conceptual study to examine the positive outcomes of employee training and development. Bashir and Jehanzeb note that all organizations are seeking advantages over their competitors, and that employees are the means to create competitive advantage. They note that employees are on the front lines of any organization and the ones who make impressions on the customers.

Bashir and Jehanzeb report that some organizations see their employees as only looking out for their personal financial interests; however, the authors assert that training and employee development programs can alter this perceived mindset. Examples are given of companies that have created specialized internal universities within their organizations, an approach that has proven successful as employees are not only developed but now have company loyalty.

The authors report that internal training and development allows the employer to be more responsive to the changing climate of business while aiding in career planning for the employees. The lack of full commitment to these processes by the employer is reported to be the main problem that prevents full success with this endeavor. The lack of organizational commitment has negative effects on the employees, and consequently the organization.

The authors assert that positive results from training allow the employees to be empowered, which manifests into loyalty, pride and ownership. Both the employer and employee benefit with career competency, employee satisfaction and improved employee performance. The organization benefits from market growth, organizational performance and employee retention.

Bashir and Jehanzeb suggest future research on specific cycle times for training. The authors postulate that training cycle times would have to be somewhat standard, but also flexible enough to be tailored to individuals to enable top performers to excel.

This article is relevant for this study because the authors report on individual and organizational benefits from training and development, including the positive impact of employee training and development on retention.

Beynon, M. J. , Jones, P., Pickernell, D., & Packham G. (2015). Investigating the impact of training influence on employee retention in small and medium enterprises: A regression-type classification and ranking believe simplex analysis on sparse data. *Expert Systems*, 32(1).

Abstract. This study investigates the impact of available training alternatives (TAs) on employee retention in small and medium enterprises (SMEs). A noticeable problem with this research issue is that individual SMEs may utilize different combination of TAs. The considered survey questionnaire allowed respondent SME owners/managers the option to gauge the level of satisfaction of a TA or to indicate that they did not use it. It follows, therefore, that the survey-based data set is sparse, in the sense that the ‘did not use’ option infers that a form of missing value is present (Likert-scale-based satisfaction value present if a TA was used). To facilitate an effective analysis of the considered sparse data set, because the missing values have meaning, the nascent regression-type classification and ranking believe simplex (RCaRBS) technique is employed. As a development of the CaRBS technique, this technique is able to undertake multivariate regression-type analysis on sparse data, without the need to manage the missing values in any way. Results are presented from the RCaRBS analyses relating to SME owner/managers’ satisfactions with TAs and their impact on two employee retention facets, namely greater employee loyalty and, conversely, losing an employee to a competitor. Emphasis here is on the graphical elucidation of findings in regard to model fit and TA contribution. The pertinence of the study is the inclusiveness of the data considered (a novel approach to

analyzing sparse data), and the comparisons between these associated issues of TA satisfaction and employee retention.

Summary. This article addresses the impact of training on retention in small and medium enterprises (SME). The data for this article was collected from the 2008 federation of small businesses survey (p. 143). The survey was designed to assess the level of satisfaction employees have with their employers in relation to their training needs and whether their employers fulfill them (p. 143). The entire survey was not analyzed as a part of this study; only the questions pertaining to training and retention were included. The population of the poll was 8,742 respondents out of a potential 200,000 members.

The survey extrapolated data regarding the location of the training, how much the employees welcomed the training, and how the employees felt about the company post training. The survey was also designed to explore the propensity for an employee to remain employed by the same employer post training. The result of the survey showed a “positive association between the provision of training and employee retention” (p. 151). Additionally, learning by doing produced the most positive results for employee retention.

Another key finding from the survey results is that training alternatives (TAs) that were provided by outside agencies increased the risk of employee turnover to competitors, whereas concentrated training that was job specific improved loyalty and enhanced employee retention. Organizations that provide more in-house training had employees that were more likely to remain loyal and dedicated to the employer, resulting in a positive return on training investment.

This article is relevant to this study because it directly addresses the use of

training and the effects that it has on employee turnover.

Dalziel, P. (2010). Leveraging training: Skills development in SMEs - An analysis of Canterbury Region, New Zealand. OECD Local Economic and Employment Development (LEED) Working Papers, OECD Publishing, Paris.

Abstract. This study investigates the impact of available training alternatives (TAs) on employee retention in small and medium enterprises (SMEs). A noticeable problem with this research issue is that individual SMEs may utilize different combination of TAs. The considered survey questionnaire allowed respondent SME owners/managers the option to gauge the level of satisfaction of a TA or to indicate that they did not use it. It follows, therefore, that the survey-based data set is sparse, in the sense that the 'did not use' option infers that a form of missing value is present (Likert-scale-based satisfaction value present if a TA was used). To facilitate an effective analysis of the considered sparse data set, because the missing values have meaning, the nascent regression-type classification and ranking believe simplex (RCaRBS) technique is employed. As a development of the CaRBS technique, this technique is able to undertake multivariate regression-type analysis on sparse data, without the need to manage the missing values in any way. Results are presented from the RCaRBS analyses relating to SME owner/managers' satisfactions with TAs and their impact on two employee retention facets, namely greater employee loyalty and, conversely, losing an employee to a competitor. Emphasis here is on the graphical elucidation of findings in regard to model fit and TA contribution. The pertinence of the study is the inclusiveness of the data considered (a novel approach to analyzing sparse data), and the comparisons between

these associated issues of TA satisfaction and employee retention.

Summary. The author of this study addresses ways to leverage training and skills development in small and medium enterprises. The author investigates a region of New Zealand to identify the relative importance of skills training provided by the employers to their employees. The study consists of surveys, a workshop and case study reviews.

Focusing on small and medium enterprises allowed the author to explore the employers that make up the majority of the business world. Surveys were initially conducted. Key findings from the survey results are that SME's participate in less than half to the training on large firms (p. 13) and "small firms experience difficulty accessing knowledge intensive service activities" (p. 14).

The skills workshop addressed skill needs, training and competence building for SMEs, the role of training networks and the outcomes of training and competence building activities. Key findings that emerged from the workshop include training within SME are fragmented and it may be more beneficial to improve relationships between educators and employers. This improvement would enhance employee development.

Dalziel performed case studies on five small and medium enterprises with employee populations ranging from twelve to sixty people. The results varied, likely due to the industry differences. Major themes and trends that emerged from the case studies include inconsistent training and employee confidence practices existed among those studied. One consistent note was that poorly trained staff provided a poor work product (p. 62).

This article is relevant for this study because the author addresses how training and employee development improve work product and reduce turnover.

Paradise, A. (2007). *State of the Industry: ASTD's Annual Review of Trends in Workplace Learning and Performance*. ASTD, Alexandria, VA.

Abstract. The American Society of Training and Development produces an annual state of the industry report. Since the time of this report this professional membership organization has been renamed the association for talent development. This report is designed to provide executives with crucial information in the realm of employee training and development. Source: ASTD website.

Summary. The American Society for Training and Development is a non-profit professional agency that provides its members with key information that they can use to improve their business practices. This report provides independent financial data regarding the amount of money US organizations spent on employee learning and development in 2006 (p. 6). As of the time of publication, the cost of training had gone down and the availability of employee training had increased. This resulted in an increased overall expenditure in the training budget while improving the overall quality of the organizations as more people could receive professional development.

The report notes a trend that was developing at the time of publication where continuing education had become much more affordable for employers. This caused an opportunity for employers to increase employee development. The ensuing employee development efforts were primarily driven to match the dynamic needs of the organization and its employees (p. 7). Technology-based training has been a primary factor in the cost reduction of training while improving the overall availability at the same time. The report indicates that the number of annual training hours had swelled as

much as thirty percent per employee at the time of publication.

This article is relevant to this study because it shows how a reduction in the cost of training resulted in an increase of internal training opportunities for employees. The report also notes the role of technology-based training in reducing the cost of training, increasing the availability of training, allowing training to be more tailored to individual organizations, and aiding in employee retention.

Turnover and Retention in the Public Sector

Bureau of Labor Statistics. (2016, Oct). *Economic News Release*. Retrieved from http://www.bls.gov/news.release/jolts.t10.htm#jolts_table10.f.2

Description. The mission of the Bureau of Labor Statistics (BLS) is: “The Bureau of Labor Statistics is the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. As an independent statistical agency, BLS serves its diverse user communities by providing products and services that are objective, timely, accurate, and relevant” (Bureau of Labor Statistics, Oct, 2016). This table measures quits levels and rates by industry and region, not seasonally adjusted. Quits are defined as the number of quits during the entire month; quit rates are defined as the number of quits during the entire month as a percent of total employment.

Summary. The Bureau of Labor Statistics (BLS) is a federal organization that compiles statistical data and information to inform the public about employment on a regular basis. The BLS “provides information about education and training requirements for hundreds

of occupations” (p. 1). The information is updated monthly and provides comparisons to the previous month and the previous years for the same month. Employment levels of citizens are compared and sorted by educational levels, and estimated salaries are shown.

The report notes that employees with professional degrees are least likely to be unemployed. Some employers provide support for employees who are seeking professional degrees as part of continuing education, thus making their employees more marketable and increasing their potential for turnover.

The second key point from this source is that public sector employers experience a higher rate of turnover than many private sector industries, which provides data for the secondary research question posed for this study.

This report is relevant to this study because it directly details the employee loss rates per month by industry, allowing a comparison of both private and public sector jobs. This source will be of particular interest to the researcher’s audience, as they will want to examine statistical employment information provided from a federal agency that looks at the larger picture regarding turnover and retention in the public sector.

Grissom, J. A. (2012). Revisiting the impact of participative decision making on public employee retention: The moderating influence of effective managers. *American Review of Public Administration*, 42(4), 400-418.

Abstract. A large body of management research has linked participation by employees in organizational decision making to employee-level outcomes such as job satisfaction, with nearly all studies finding positive associations. This study questions whether the impact of employee policy influence on employee-level outcomes is contingent on management

effectiveness, hypothesizing that employee outcomes may be negatively affected by the exercise of influence if participation is facilitated poorly or comes in response to a void created by inadequate organizational management. Focusing specifically on employee turnover in a nationwide sample of 6,300 public schools, the study finds strong evidence of an interactive effect. While employees are less likely to turn over under effective managers regardless of their degree of organizational policy influence, under ineffective managers turnover increases as employees' perceived influence increases. Results suggest that investment in management competence may be a necessary precondition for some public organizations to benefit from increasing participation.

Summary. The author of this article addresses the impact of participative decision making on public employee retention. While all employers desire an increase in retention, the author notes that employers must want to commit to the processes required to reduce turnover. Grissom notes that a vast lack of empirical data existed at the time of his work that addressed public sector employee turnover. Grissom identifies key factors that result in employee turnover including inadequate organizational management, poor organizational values and lack of participative decision-making. The author notes that the provision of employee training and development is a key factor in successful management. Participation in employee development is found to give employees influence, identify opportunities, and improve information flow, which directly affects employee retention (p. 403).

Employee "participation [in employee development programs] helps identify opportunities for career development and other employee growth needs that can reduce long-term impediments" (p. 403). Grissom hypothesizes about the correlation between

reduced employee turnover and increased participation by employees in their professional development. The author found a positive relationship between employees' involvement in their development and training and growth in employee satisfaction. Conversely, the author notes negative effects from the lack of participation such as: (a) employee absenteeism, (b) turnover, (c) reduction in the speed of production, and (d) reduction in employee motivation.

The author determined that employee participation in their development and training was important but only when coupled with effective managers. Ineffective managers were not only shown to increase employee turnover, but also to have a direct negative effect on the organization. A manager's effectiveness was not solely graded on the support of employee training and development rather on a multitude of factors; however, the need for the manager's support for employee participation and professional development is well documented.

This article is relevant for the study because the author provides recommendations and techniques to improve employee retention in the public sector work force.

Hollenbeck, K. (2008). *Is there a role for public support of incumbent worker on-the-job training?* Upjohn Institute Staff Working Paper No. 08-138. W.E. Upjohn Institute for Employment Research.

Abstract. States have begun to use training subsidies as a policy tool for employment retention and business competitiveness. This paper summarizes a survey of states concerning their investments in incumbent worker training. Altogether, states are investing about \$550 to \$800 million, which is perhaps one percent or less of total private

sector training costs.

The paper further discusses a study conducted for one state in which we found significant fiscal returns implying that underinvestment of public funds for incumbent worker training may be occurring. In this state, primary sector jobs were created or retained at a public cost of less than \$9,000 per job; a cost that rivals or bests most economic development initiatives.

Summary. The author of this report discusses the training of incumbent workers in public sector jobs and the potential support for this type of endeavor. The author conducted a two-phase financial analysis of state investments in employee training. A web-based document was sent to individual states to request training data for examination. This approach proved problematic, as there was no consistency in how each state operated. Sources of revenue and organizational operations differed, providing additional challenges to the researcher. Phase two was carried out more directly by e-mail or telephone contact and was more productive. Information collected included “expenditure levels, number of firms assisted, and number of employees trained with public funding” (p. 5).

Hollenbeck found that states “realize external benefits from worker training, and they have begun to use training subsidies as a policy tool for employment retention and competitiveness” (p. 20). This finding has the potential to transfer to financial funding of public sector training, which improves employee development and has shown significant improvement in retention of employees that results from the training activities (p. 20).

The second key point is “on-the-job-training is an important investment in human capital for individuals in the workforce” (p. 20). This training regimen primarily benefits

the worker and the organizations involved. Due to this restriction, the author found that support did not exist to publically subsidize this type of training.

This article is relevant to this study because the author looks directly at the issue of employee turnover and retention in the public sector and provides a study to support training as a tool for employee retention.

Llorens, J., & Stazyk, E. (2011). How important are competitive wages? Exploring the impact of relative wage rates on employee turnover in state government. *Review of public personnel and administration*, 31 (2).

Abstract. In recent years, public management research has made great strides in explaining the drivers of employee turnover in the public sector, with key findings related to the role of employee loyalty, organizational satisfaction, person-organization fit, and compensation. This article contributes to this growing body of literature by assessing the influence of a previously untested driver of employee turnover at the state level of government: public–private wage equity. Contrary to conventional wisdom, results suggest that public–private wage equity does not significantly influence voluntary separation rates, whereas state government unionization and the average age of state government employees are found to be indirectly related to voluntary separation. Results also point to the potential implications of ethnicity, gender, and public service motivation in state government employee turnover and provide key insights for those seeking to further understand the impact of reduced expenditures on public sector wages and shifting age distributions in public sector employment.

Summary. This article addresses the impact of the importance of competitive wages, specifically on employees in state government. While exploring the impacts of employee turnover, Llorens and Stazyk note that it becomes a significant financial impact on employers, particularly in recruitment and training costs. Additionally, the loss of organizational knowledge and history with the loss of departing employees has lasting effects on the organization itself.

Employee satisfaction is noted to play a large part in retention but is not the sole reason employees elect to stay at an employer. Economic factors are also noted to be of significance, as well as individual demographic components that play a part in turnover. The primary demographic contributing factor was age, specifically correlating with retirement; the authors noted that employees who were close to retirement were more likely to remain with an employer. Whereas economic and demographic factors are uncontrollable variables between employers, the authors note that employee satisfaction can be controlled. Llorens and Stazyk also found that the provision of training held equal weight in encouraging employee retention as pay, benefit compensation, promotional opportunity, supervision, human resource policies and organizational and group culture. The authors also found that training can result in increased employee satisfaction.

Much of this article was devoted to analyzing pay as a main factor in employee retention which, the authors note, will always be an issue between public and private sector jobs. The authors provide data that indicates that public employees make up to twenty percent less as public employees than employees who have equal jobs with private employers. The analysis indicates that the mean annual salaries of public employees were six percent less than the mean annual salaries of employees in the private

sector. The authors conclude that private pay may not be the biggest factor and that public employees may be willing to accept a slightly lesser wage to receive non-wage benefits as an alternative.

Finally, the authors recommend future studies to examine the impact of non-wage based benefits on employee turnover. These benefits included pension, health care, childcare or a desire to serve the public.

This article is relevant for this study because the authors report on the drivers for turnover and retention in public sector employment, noting that employee development is one of the factors.

Moynihan, D., & Landuyt, N. (2008). Explaining turnover intention in state government. *Review of public personnel administration*, 28(2), 120-143.

Abstract. This article tests a model of turnover intention on a large sample of Texas state employees focusing on four issues. First, the findings support a life cycle stability hypothesis, which suggests that age, experience, and geographic preferences reduce turnover intention, an effect compounded by economic/familial constraints for primary wage earners and members of large households. Second, contrary to previous research, the results show that females are significantly less likely to state an intention to quit. This finding reflects changing patterns of labor force participation, as well as the particular advantages that the public sector offers female employees. Third, the results distinguish between the relative contributions of three overlapping concepts: organizational loyalty, voice, and empowerment. Organizational loyalty and empowerment reduce turnover intention, but voice is not a significant factor. Finally, the article provides a detailed test

of different personnel policies, providing particular support for diversity policies.

Summary. The authors of this report discuss the turnover intention of employees in state government positions. The authors reviewed literature to identify factors of turnover, focusing on the categories of environmental, economic, individual and organizational (p. 121). The authors examined demographic influences, economic issues and external environmental factors related to employee turnover. Organizational factors were divided into three categories: (a) job characteristics, (b) Human Resource Management, and (c) work environment (p. 125). The authors examined these factors to identify trending information. A limiting factor was that only a single state was examined for the purpose of the study; however, a large number of employees were examined and predictable results were achieved, so the results should provide an accurate representation of the average state government (p. 135).

A key point to this article is that higher education was reported to be a contributing factor to turnover intention (p. 133). The authors note that an employee who pursues higher education generally shows an increased propensity for learning, so an employee who is motivated to increase his or her knowledge will be motivated to leave employers that do not support employee development.

The second key point is that organizational loyalty and empowerment reduce turnover intention (p. 135); however, organizational loyalty proved to affect turnover intention more powerfully. “Organizations seeking to reduce turnover by shaping the work environment will have the greatest effect if they focus on fostering organizational loyalty rather than on empowerment” (p. 135).

This article is relevant to this study because it directly ties into the topic of

employee turnover and retention in public sector employment through the examination of the influence of environmental, economic, individual and organizational factors on employee turnover and retention for state government positions.

Pitts, D., Marvel, J., & Fernandez, S. (2011). So hard to say goodbye? Turnover intention among U.S. federal employees. *Public Administration Review*, 71(5), 751-760.

Abstract. Why do U.S. federal government employees choose to leave the federal service? By focusing on turnover intentions, this article develops propositions about why employees anticipate leaving their jobs along three dimensions: (1) demographic factors, (2) workplace satisfaction factors, and (3) organizational/relational factors. Two distinct measures of turnover intention are advanced that reflect those who intend to leave their agency for another position within the federal government and those who intend to leave the federal government for an outside position. The 2006 Federal Human Capital Survey is used to test the impacts of three clusters of independent variables on these measures of turnover intention. The findings suggest that overall job satisfaction and age affect turnover consistently. Practical recommendations are outlined for public managers seeking to boost employee retention.

Summary. In this article, the authors address turnover intention among federal employees in the United States. Factors that may predict voluntary turnover were examined in order to determine what could be done to reduce and improve the return on investment of hiring a new employee. The three main factors examined are: (a) demographic factors; (b) workplace satisfaction factors; and (c) organizational/relational factors.

Demographic factors are uncontrolled variables but impact the turnover statistics. Older employees are less likely to voluntarily separate employment, where younger employees are more likely to be influenced by workplace satisfaction factors. The authors found that turnover is highest early in the careers of employees, while conversely employees that remain employed until the later stages of their career are less likely to separate due to pension concerns.

Pitts, Marvel, and Fernandez report that overall job satisfaction reduces employee turnover. Increased pay, benefits and educational opportunities increase workplace satisfaction factors, resulting in the reduction of turnover. Promotional opportunities played a big part in employee satisfaction as well. The authors note that employees who are promoted experience higher levels of satisfaction, organizational commitment, intrinsic motivation, and involvement in the job. Both increased responsibilities and increased wages come with a promotion, but the authors note that many times the opportunity for a promotion is not present without an increase in employee education.

Pitts, Marvel, and Fernandez conducted a survey to determine which factors played the largest role in employee turnover on the federal government: demographic, workplace satisfaction or organizational factors. As part of their study, the results provided information on an employee's intention to separate employment. Job satisfaction remained the primary factor that impacted whether employees would stay or leave. Pitts, Marvel, and Fernandez also noted that professional development opportunities become a primary motivator in retention, especially with younger employees, while older employees are more concerned with stability and benefits.

This article is relevant for this study because the authors examine the factors associated with turnover for workers in the public-sector.

Conclusion

While employee turnover is an issue of concern for both public and private employers (Llorens & Stazyk, 2011), public employers are more heavily impacted by this issue (Bureau of Labor Statistics, 2016). The impact of turnover on public employers is also more severe due to longer hiring cycles (Llorens & Stazyk, 2011), additional expenses related to longer recruitments (Balfour & Neff, 1993, as cited in Llorens & Stazyk, 2011), and reductions in service while positions remain unfilled (Balfour & Neff, 1993; Bertelli, 2007; Mobley, Griffeth, Hand & Meglino, 1979; Moynihan & Pandey, 2008; Selden & Moynihan, 2000; Staw, 1980, as cited in Llorens & Stazyk, 2011). One means of addressing turnover that holds promise for public employers is the provision of training and employee development (Rosenwald, 2000, as cited in Bashir & Jehanzeb, 2013).

This annotated bibliography presents sources that address the main research question of what best practices in training and employee development will enable employers to increase employee retention. The selected sources present information to policymakers within organizations that can be used to aid in the development of strategies to increase employee retention. Three categories are used to organize the key research and frame the problem: (a) causes of employee turnover, (b) the use of training and employee development to reduce turnover, and (c) turnover and retention in the public sector.

Causes of Employee Turnover

Employee turnover within organizations has multiple causes (Abbasi, & Hollman, 2000; Grissom, 2012; Moynihan, & Landuyt, 2008). Ongori's (2007) position is that the primary causes of employee turnover are due to job stress, lack of commitment to the organization and

job dissatisfaction. “Job satisfaction, career satisfaction, and organisational commitment reflect a positive attitude towards the organization, thus having a direct influence on employee turnover intentions” (Ongori, 2007, p. 52). Sahinidis and John Bouris (2008) link job satisfaction to growth and development, noting that when employees are not supplied with professional growth opportunities, they will not sit idle. The resulting lack of action from the organization will not stop individual motivated employees from growing, potentially doing so by separating from the employer (Palan, 2007). “When employees do not see the potential for learning or growth, they generally make every effort to learn and grow even if it means moving on” (Palan, 2007, p. 8). Providing opportunities for employees to fulfill their professional motivations is an integral for organizations in helping the employees meet their maximum potential (Dalziel, 2010, p. 54).

Abbasi and Hollman (2000) contend that managers need “to gain insight into employees’ attitudes by understanding the personality traits and core beliefs and fostering long-term and well conceived employee development plans” in order to increase employee retention (Turnover: The real bottomline, 2000, p. 335). Sahinidis and Bouris (2008) make a similar claim, noting “from Maslow, to Alderfer, to McClelland, to Herzberg and to Hackman, growth is proposed to be one of the most potent motivators, with high employee effort maximization potential” (p. 64). When employees have low degrees of professional motivation they are more likely to leave the organization (Lang, 1992, as cited by Sahinidis & Bouris, 2008; Palan, 2007).

The Use of Training and Employee Development to Reduce Turnover

Organizations today regularly search for strategies to reduce turnover rates (Ahmed, 2013). Employee development is an approach that can serve as a successful part of an organization’s retention strategy (Ahmed, 2013, p. 3). Bashir and Jehanzeb (2013) report “companies which are providing training and development programs to their employees are

getting success in retaining them” (p. 248). Training that is job specific has been shown to be more successful in the reduction of turnover (Beynon, Packham, & Jones, 2015). Beynon, Packham and Jones (2015) also found that providing training as an in-house option rather than sending employees to an outside agency may be more fruitful when retaining employees. Their analysis of their study results “suggests that non-firm-specific training is less attractive and has a negative impact upon both employee loyalty and their retention” (Beynon, Packham, & Jones, 2015, p. 151).

Paradise (2007) asserts that the primary goal of employee development and training should be to improve the employees’ job knowledge, thus providing a benefit to the organization and an investment in the future of the organization. “Investment in learning remains important for organizations across a variety of industries, company sizes, and countries. This continued dedication of resources to the learning function confirms the reliance on its expertise in leveraging human capital” (2007, p. 6). Training that improves employees’ job knowledge also benefits the employer; Gerhart and Rynes note that employees are more likely to feel that they are more valued by the employer because of the training investment and thus will be less likely to turnover (as cited in Beynon, Packham, & Jones, 2015, p. 147). “Staff retention is greatly improved if the company offers a learning environment and career paths that supports staff in their personal development and recognizes their learning attainments” (Dalziel, 2010, p. 57).

The appropriate use of training and employee development as a retention strategy is shown to reduce turnover (Wu & Norman, 2006). Ahmed (2013) notes that many retention strategies specifically incorporate the provision of training. The fostering of employee development is one element linked to a reduction in workforce turnover within an organization by enhancing commitment (Ahmed, 2013). Jehanzeb and Bashir (2013) note that while salaries

and benefits play important roles in employee retention, opportunities to gain novel skills, complete different duties, and gain personal and professional development are also important to employees.

Turnover and Retention in the Public Sector

The Bureau of Labor Statistics measured the levels of employees leaving specific industries between 2015 and 2016 and found that the level of turnover of government or public sector workers rose 59% from 2015 to 2016, which is comparable to the turnover rate for a retail establishment (Bureau of Labor Statistics, 2016, p. 1). The high turnover rates for public employers has become a more important issue; Llorens and Stazyk (2011) note that “turnover is a topic of great concern for public managers since excessive turnover rates may substantially limit organizational productivity” (p. 112).

In a survey of 6,300 public schools, Grissom (2012) found that allowing employees to develop within the organization through a systematized program increases their level of participation, but may require a commitment to training and development. “The success of increased participation may depend on policymakers’ commitment to strategies for identifying, training, and developing a high quality principal workforce” (p. 413). While this insight is not specific to public employers, Grissom (2012) does note that the study findings suggest that in order to benefit from increased employee participation, public organizations will have to invest in management competency.

Pitts, Marvel and Fernandez (2011) completed a study of U.S. federal employees to help determine why employees anticipate leaving their jobs. Three categories of drivers emerged: (a) demographics, (b) workplace satisfaction, and (c) organizational/relational factors. Professional

development opportunities and other programs that motivate an employee to work toward the next level in the organization can be useful tools (Pitts, Marvel, & Fernandez, 2011). Significant findings of the study included the fact that older workers were found to be less likely to voluntarily separate from their employers and that overall job satisfaction reduces employee turnover and increased pay, benefits, educational opportunities, and promotional opportunities positively impact job satisfaction (Pitts, Marvel, & Fernandez, 2011). In particular, Pitts, Marvel and Fernandez (2011) found that job satisfaction was the primary factor that impacted employees' intentions to stay in their jobs, while professional development opportunities were also a primary motivator in retention, particularly among younger employees.

Employee turnover in the public arena causes issues to both the employer and the public (Grissom, 2012, p. 400). Pitts, Marvel and Fernandez (2011) note that "In addition to creating turmoil and causing disruptions in service delivery" (p. 751), turnover can prove to be problematic when impacting essential services only offered by public agencies.

Moynihan and Landuyt (2008) note that turnover results in a financial impact to employers; this point extends to both private and public employers. "When an organization loses the human capital it wants to retain, it incurs process separation costs, recruitment costs, training costs, and lost productivity costs" (Moynihan & Landuyt, 2008). Public sector employers have to plan for the financial burden of training and employee development (Abbasi & Hollman 2000; Pitts, Marvel, & Fernandez, 2011), a burden that may eventually fall to taxpayers as public organizations are funded through tax dollars (Pitts, Marvel, & Fernandez, 2011). At the state level, there is historical precedent for subsidizing the training of incumbent workers to reduce turnover and increase competitiveness (Hollenbeck, 2008).

Summary

The issue of employee turnover in the public sector is of particular concern due to the relative magnitude of its scope compared to the private sector (Bureau of Labor Statistics, 2016) and the fact that taxpayers ultimately pay the price when an employee leaves a public employer (Pitts, Marvel, & Fernandez, 2011). One approach that shows promise in reducing turnover for public employers is the provision of training and employee development (Bashir & Jehanzeb, 2013; Dalziel, 2010; Paradise, 2007). One consistent message found in the literature is that employee development that provides skills specific to the employee's job enhances the employee's knowledge and involvement and results in improved customer service as well as reduced likelihood of attrition (Dalziel, 2010; Mayer et al., 2012 as cited in Beynon, Packham, & Jones, 2015; Meyer & Allen, 1991, as cited by Sahinidis & Bouris, 2008; Ongori, 2007). An increased employee retention rate reduces the overhead costs associated with recruiting, onboarding, and training new employees (Kemalet al., 2002; Catherine, 2002, as cited in Ongori 2007). Employee retention is challenging to any employer and although many factors are involved in turnover, organizations that invest in employee development stand the best chance of a positive return on investment (Bashir, & Jehanzeb, 2013; Hollenbeck, 2008). For public employers who face higher turnover rates (Bureau of Labor Statistics, 2016) and close scrutiny of their budgets, learning to utilize training and employee development as retention tools can provide far reaching benefits.

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